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## SYSTEM OF CONSULTATIONS

## Proposals by the Director-General

Summary

Submits for approval a proposed adjustment to the programme of Consultations for the biennium 1992-1993 as well as measures for enhancing the role and efficiency of the System of Consultations.

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### Introduction

1. The proposals of the Director-General for the programme of Consultations for the biennium 1992-1993 as contained in document IDB.6/6, chapter I, were endorsed by the Board in its decision IDB.6/Dec.5 of June 1990. Since then developments have taken place which would require the introduction of some adjustments to the programme of Consultations for that biennium.

2. In decision IDB.6/Dec.5, the Board, recalling General Conference resolution GC.3/Res.2 on the evaluation of the System of Consultations, requested the Director-General - in order to avoid duplication of effort, to improve the administration of allocated resources and increase the efficiency of the activities under the System of Consultations - to ensure the strengthening of both internal coordination within UNIDO and external coordination with the relevant regional organizations in the preparations for, and follow-up to, the Consultations scheduled. The Director-General was further requested to finance on a more secure and foreseeable basis the follow-up activities of the System of Consultations. In that context, the attention of the Board is drawn below to a number of activities and measures for enhancing the efficiency of the System of Consultations. Some of these activities and measures were a result of the recommendations of the evaluation of the System of Consultations and were introduced as a follow-up to the subsequent plan of implementation proposed by the Director-General (see GC.3/20 and General Conference resolution GC.3/Res.2, para. 1). Other measures are proposed for the consideration of the Board.

### I. PROGRAMME OF CONSULTATIONS FOR THE BIENNIUM 1992-1993

3. At its sixth session, the Board approved the following programme of Consultations for the biennium 1992-1993 (IDB.6/Dec.5 (e)):

- Regional Consultation on animal feed and related industries in Africa
- Regional Consultation on industrial utilization of medicinal plants in Asia and the Pacific
- Regional Consultation on the restructuring of the capital goods industry in Latin America and the Caribbean
- Consultation on downstream petrochemical industries
- Consultation on the construction industry in the developing countries
- Consultation on consulting engineering services.

4. As mentioned in the Annual Report of UNIDO 1990 (IDB.8/10, chap. III, para. 18) the regional Consultation on the petrochemical industry in the Arab countries, originally scheduled for 1991, was postponed because of the situation in the Gulf and is currently planned for 1992.

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5. In order to accomodate that Consultation it is proposed that the Consultation on the topic of consulting engineering services be postponed to the 1994-1995 biennium.

## II. MEASURES FOR ENHANCING THE EFFICIENCY OF THE SYSTEM OF CONSULTATIONS

6. As a follow-up to the recommendations emanating from the evaluation of the System of Consultations and the Director-General's plan for their implementation (GC.3/20) and the recommendations on the subject by the General Conference (GC.3/Res.2) and by the Board (IDB.6/Dec.5) a number of measures have been initiated to streamline the functioning of the System of Consultations while maintaining its effectiveness and to integrate it more closely in the overall functioning of the Secretariat particularly in relation to technical cooperation and investment promotion. These measures are concerned with several substantive and organizational aspects. Others are of an economy nature.

7. Wherever possible, Consultation activities are being integrated in larger technical cooperation projects. The example of the leather programme is well known. A more recent example is the preparatory work for the regional Consultation on the restructuring of the capital goods industry in Latin America and the Caribbean: the relevant studies and meetings are being implemented under the umbrella of a large regional Latin American technical cooperation project on the restructuring of the capital goods industry which is financed by several donor countries, and implemented by the Department of Industrial Operations.

8. The panel of experts established by the System of Consultations on the leather industry has been successful in establishing a whole integrated technical cooperation programme for UNIDO in this sector. A similar panel is under active consideration for the sugar industry while steps have been taken towards the creation of relevant panels for the non-ferrous, petrochemicals and capital goods sectors. Regional programmes in the sugar industry along the lines of the Group of Latin American and Caribbean Sugar Exporting Countries (GEPLACEA) are also being considered for Africa and Asia and the Pacific.

9. The growing tradition of organizing regional Consultations is not only resulting in a greater focus of recommendations for action at the national level but also in a notable increase of recommendations directed at activities for economic and technical cooperation among developing countries (ECDC/TCDC) in the respective regions. More concretely, this has led to the innovative approach of developing programmes of industrial complementarity between several countries in a region, e.g. the programme on production complementarities in the aluminium industry within South America and the Caribbean region emanating from the regional Consultation on the non-ferrous metals industry in Latin America. This same Consultation also recommended the establishment of some regional projects to help develop this sector on a firm footing. The System of Consultations is also increasing its cooperation in the area of ECDC with the corresponding organizational unit in UNIDO, particularly in follow-up activities to the Consultations.

10. The success of regional Consultations has in many ways opened a new and interesting avenue for the System, namely the organization of national Consultations on a specific industrial subsector or activity. Some Member States have expressed interest in organizing Consultations to deal with specific problems they face and for which regional or international assistance would be needed. One Member State has expressed interest in organizing such a Consultation on non-ferrous metals, another on patents in the pharmaceutical industry. The System has acquired the appropriate expertise to assist Member States through the organization of such national Consultations particularly at sectoral policy levels. Important fields in question would be industrial rehabilitation, small- and medium-scale industries, manpower development, industrial maintenance, environmental protection, in addition to specific industrial subsectors covered by the System of Consultations.

11. The expertise of the System of Consultations in tackling problems of the development of specific industrial sectors in an integrated and comprehensive manner at the regional and country levels will be used in identifying technical cooperation programmes and projects in developing countries through the participation of its staff in multi-disciplinary joint programming missions.

12. Overall in-house cooperation is being enhanced by consolidating the role of the Advisory Committees which have become closely associated in the preparation for, conduct and follow-up of Consultations. The active and sound cooperation of all relevant sections of UNIDO Secretariat was clearly demonstrated at the last two Consultation meetings held in Vienna on industrial rehabilitation/restructuring with special focus on the food-processing subsector in Africa and the Second Consultation on the wood and wood products industry. More concretely, the follow-up role is being institutionalized through the preparation of a plan of action for the implementation of the recommendations of Consultations, generation of technical cooperation and monitoring of actions to be undertaken by specific organizational units in the Secretariat.

13. In an effort to tap all available resources in the Secretariat, greater emphasis is being put on cooperation within the Department for Industrial Promotion, Consultations and Technology, particularly with the Industrial Investment Division and the Technology Development and Technology Promotions Divisions; a number of activities are being identified where pooling of expertise and financial resources would contribute more effectively to the output of the Department for Industrial Promotion, Consultations and Technology as a whole Department.

14. Cooperation with other United Nations organizations and specialized agencies is increasing through their active participation in the Consultations and related preparatory work as well as through their joint organization and co-sponsoring of Consultations and expert group meetings. The United Nations Centre for Human Settlements (Habitat), for example, joined in the organization of the Second Consultation on Wood and Wood Products Industry, while the Food and Agriculture Organization of the United Nations was heavily involved in the preparation of that Consultation. The Consultation on building materials to be held in the second half of 1991 is being co-sponsored by Habitat. Negotiations are

under way for co-sponsoring by the World Health Organization of the regional Consultation on industrial utilization of medicinal plants in Asia which is planned for the 1992-1993 biennium. Close links have also been established and joint activities are being intensified with the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, the United Nations Conference on Trade and Development, the International Trade Centre UNCTAD/GATT and other United Nations organizations. Joint activities are furthermore being expanded with the regional economic commissions, e.g. with the Economic and Social Commission for Asia and the Pacific in the fisheries sector and with the Economic Commission for Latin America and the Caribbean in the capital goods sector, as well as with intergovernmental organizations such as the Arab Company for Drugs and Medical Applications (ACDIMA), the Arab Industrial Development and Mining Organization, the Gulf Organization for Industrial Consulting, the Latin American Economic System, the Latin American Integration Association and the Organization of Arab Petroleum Exporting Countries.

15. Cooperation is also being intensified with non-governmental organizations, major national industrial corporations and professional associations and universities. For example, two meetings recently held in Pakistan as a follow-up to Consultations have been co-organized and co-financed by the Pakistani Sugar Mills Association and National Fertilizers Corporation. A workshop on technological cooperation among developing countries in the development of pharmaceutical-related ancillary industries, which is to be held at Amman, Jordan in November 1991, is being co-organized with ACDIMA, and another workshop on the industrial utilization of medicinal and aromatic plants to be held in late 1991 at Milan, Italy, is being co-organized with the Italian group INDENA (Inverni della Beffa).

16. In order to give the opportunity to, and ensure the active participation of, all experts attending a Consultation the issues selected for the Consultation will be considered by one working group instead of several working groups as was done in the past. This is of importance - particularly for developing countries who usually send one participant only for the discussions of all the issues. This measure, while improving the efficiency of the Consultations, will also lead to greater economy in the organization of the meetings. Concrete results expected are: enhanced interaction and contribution of all participants on all issues; reduction of the requirements for interpretation and translation services with a consequent reduction of their cost by almost half; and improved drafting of conclusions and recommendations.

17. Greater efforts are being deployed in the preparation for the Consultations, the selection of issues and background documentation, the use of in-house expertise, ensuring that participants attending the Consultation have the proper profile, attaining greater diversity of representation, particularly private entrepreneurs, industry specialists, non-governmental organizations and financial institutions. These measures are yielding improved output, more action-oriented recommendations, better policy orientation and larger number of technical cooperation and investment project opportunities.

18. Wherever possible, the working languages at the Consultations are being reduced, especially in the case of regional Consultations to cover the actual needs, and exceptions are made only when an overwhelming requirement for additional languages prevails. The reports of Consultations, however, continue to be prepared in the six official languages of UNIDO.

19. In summary, the measures proposed include: improved integration of activities of Consultations into technical cooperation programmes and projects; augmenting the role of Advisory Committees in fostering in-house cooperation for preparation, implementation, and follow-up monitoring of Consultations; increasing the number and enhancing the role of panels covering specific sectors as funds permit; giving a new ECDC/TCDC dimension to regional Consultations and working towards launching national Consultations; expanding and intensifying cooperation and contacts with United Nations agencies, international, intergovernmental and non-governmental organizations as well as large national corporations, professional associations and universities. With regard to the conduct of Consultations, the following economy measures are proposed: reduction in the number of working groups, better targeting of the profile of participants to Consultations and reduction, wherever possible, in the number of working languages.

## III. ACTION REQUIRED OF THE BOARD

20. The Board may wish to approve the proposed adjustment to the programme of Consultations for the biennium 1992-1993 proposed in paragraphs 4 and 5 above and the proposed measures for enhancing the role and efficiency of the System of Consultations as summarized in paragraph 19.